

procedures established by the Administrator of the Environmental Protection Agency under section 503(a)(2) of the Act.

[42 FR 13807, Mar. 14, 1977, as amended at 43 FR 12013, Mar. 23, 1978]

PART 535—3-YEAR CARRYFORWARD AND CARRYBACK OF CREDITS FOR LIGHT TRUCKS

Sec.

535.1 Scope.

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535.4 3-year carryforward and carryback of credits.

AUTHORITY: Sec. 9, Pub. L. 89-670, 80 Stat. 931 (49 U.S.C. 1657); sec. 301, Pub. L. 94-163, 89 Stat. 901 (15 U.S.C. 2001); sec. 6, Pub. L. 96-425, 94 Stat. 1821 (15 U.S.C. 2002); delegation of authority at 49 CFR 1.50.

SOURCE: 45 FR 83235, Dec. 19, 1980, unless otherwise noted.

§ 535.1 Scope.

This part establishes regulations governing 3-year carryforward and carryback of credits for manufacturers of light trucks.

§ 535.2 Applicability.

This part applies to manufacturers of light trucks.

§ 535.3 Definitions.

(a) *Statutory terms.* The terms *average fuel economy*, *average fuel economy standard*, *fuel economy*, *manufacture*, *manufacturer*, and *model year* are used as defined in section 501 of the Act.

(b) *Other terms.* (1) *Act* means the Motor Vehicle Information and Cost Savings Act, as amended by Pub. L. 94-163 and 96-425.

(2) *Administrator* means the Administrator of the National Highway Traffic Safety Administration.

(3) The term *light truck* is used in accordance with the determinations in parts 523 and 533 of this chapter.

(4) The term *class of light trucks* is used in accordance with the determinations in part 533 of this chapter.

§ 535.4 3-year carryforward and carryback of credits

(a) For purposes of this part, credits under this section shall be considered

to be available to any manufacturer upon the completion of the model year in which such credits are earned under paragraph (b) of this section unless under paragraph (c) of this section the credits are made available for use at a time prior to the model year in which earned.

(b) Whenever the average fuel economy for a class of light trucks manufactured by a manufacturer in a particular model year exceeds an applicable average fuel economy standard established in part 533 of this chapter, such manufacturer shall be entitled to credit, calculated under paragraph (c) of this section, which—

(1) Shall be available to be taken into account with respect to the average fuel economy for the same class of light trucks of that manufacturer for any of the three consecutive model years immediately prior to the model year in which such manufacturer exceeds such applicable average fuel economy standard, and

(2) To the extent that such credit is not so taken into account pursuant to paragraph (b)(1) of this section, shall be available to be taken into account with respect to the average fuel economy for the same class of light trucks of that manufacturer for any of the three consecutive model years immediately following the model year in which such manufacturer exceeds such applicable average fuel economy standard.

(c)(1) At any time prior to the end of any model year, a manufacturer which has reason to believe that its average fuel economy for a class of light trucks will be below such applicable standard for that model year may submit a plan demonstrating that such manufacturer will earn sufficient credits under paragraph (b) of this section within the next 3 model years which when taken into account would allow the manufacturer to meet that standard for the model year involved.

(2) Such credits shall be available for the model year involved subject to—

(i) The Administrator approving such plan; and

(ii) The manufacturer earning credits in accordance with such plan.

(3) The Administrator approves any such plan unless the Administrator finds that it is unlikely that the plan